GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:5966
ANSWERED ON:26.04.2001
AMENDMENT IN COMPANIES ACT, 1956
VILAS BABURAO MUTTEMWAR

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government propose to amend certain provisions of the Companies Act, 1956 imposing restrictions on payment of salaries, perks and few paid by the companies to its employees;

(b) if so, the details thereof and the reasons therefor;

(c) the likely impact on the loss making or profit making companies; and

(d) the type of perks which do not form part of taxable income?

Answer

MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS AND SHIPPING (SHRI ARUN JAITLEY)

(a) No Sir.

(b) and (c) : Does not arise.

(d): As per section 17(2) of the Income Tax Act, 1961 read with Rule 3 of the Income Tax Rules, 1962, perquisite includes - rent free/concessional accommodation, medical treatment, transport, specified securities, insurance premium etc. or any other benefit or amenity paid for by the employer, subject to prescribed exceptions.